Consumer Confidence & Perceptions around the Impact of COVID-19

North West Research & Strategy are bringing you regular updates on the key points coming out of the COVID-19 pandemic through our weekly review of research and intelligence. This week, we have used BVA BDRC's ClearSight reports on Recovery & COVID-19 and VisitBritain's COVID-19 Consumer Tracker. We hope these consumer and business insights help assist with your current business resilience and planning for recovery post-COVID-19. Don't forget, you can also get further information on Government support and sector specific advice on the Growth Platform website.

Key points from the Recovery & COVID-19 report include:

- Just 1 in 20 believe that the worst of the COVID-19 crisis has passed, which is the most pessimistic outlook since March.
- In April, on average, respondents predicted that life would 'be back to something close to normal' by October. Now, 21% believe that it won't be until 2022 or later, with 7% predicting things will never return to normal.
- The 'Life Goes On' segment (p. 11) is by far the most optimistic about the COVID-19 situation (with just 39% believing the 'worst is still to come'), and records the shortest lead-time back to anticipated normality (8.9 months), however, tightening restrictions mean average mood within this group is relatively low (6.2/10).
- Conversely, those in the most cautious segment, 'Cautious but Content' (p. 11) record a relatively positive average mood (7.2/10), despite 85% believing that the 'worst is still to come' and estimating over 12 months until normality resumes.

- Restaurant dining records the highest level of recovery since the original lifting of restrictions, likely driven somewhat by 'Eat Out to Help Out'. Within the transport sector, bus travel has recorded a higher level of recovery than rail, despite people stating that they are more comfortable with rail travel.
- The incidence of visits to gyms, cinemas and indoor attractions has consistently remained below pre-pandemic levels. However, August saw a sharp recovery in visits to outdoor attractions, retail, pubs and, in particular, restaurant dining (helped by the 'Eat Out to Help Out' scheme).
- Customers feel 48% less comfortable going to the cinema, 43% less comfortable going to a pub or club and 38% less comfortable going to the gym, when compared to pre-lockdown comfort levels.
- While the domestic leisure and accommodation markets recorded significant uplift in booking activity following the lifting of national restrictions in July, recovery began to tail off in September and has declined further in October, with only 1.7% of the population booking a UK holiday (compared with 3.6% in August – close to pre-COVID levels).
- Customers feel 53% less comfortable travelling on a plane, 52% less comfortable going on an overseas holiday and 41% less comfortable going on a UK holiday, when compared to pre-lockdown comfort levels.
- 45% of business leaders in the leisure, hospitality and arts sectors are not confident in their company's ability to survive the crisis – significantly higher than the average figure for all sectors (27%).

Highlights from VisitBritain's COVID-19 Consumer Tracker include:

- 15% of UK adults have been on a UK overnight trip between September and October, which is three times higher than the proportion who have taken an overseas trip.

- The North West was the second most popular destination for trip-takers (an overnight trip for any purpose) between September and October, while for holiday-takers (an overnight trip for the purposes of a holiday) the North West ranked 5th out of 12 destinations.
- 'City or large town' was the most popular destination type for all trips between September-October, but when looking at holiday-trips specifically, 'city or large town' ranks 3rd out of 5 options, behind 'countryside or village' and 'traditional coastal/seaside town'.
- About 1 in 8 trip-takers did not stay in the destination type they initially planned. The main reason given for this was 'we were worried there'd be too many people there' (32%).
- 38% of UK adults stated that they intended to take the same or more UK short breaks compared to normal between now and the end of the year, which is slightly more than in the previous report (33%). 43% anticipated taking fewer overseas short breaks and holidays between now and the end of the year compared to normal.
- The main reasons given for not feeling confident about taking trips in the UK, both between October-December and January-March, are 'restrictions on travel from government (national or devolved)' and 'I have concerns about catching COVID-19'.

Growth Platform

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